

Translation from Romanian

**FINANCIAL STATEMENT
FOR THE FINANCIAL YEAR ENDING ON 30 SEPTEMBER 2017**

	LEI	
	31.12.2016	30.09.2017
Assets		
Fixed assets		
Tangible assets	24,749,148	25,142,670
Intangible assets	364,606	395,427
Goodwill	0	0
Investment property	0	0
Financial assets	18,354,184	20,354,184
TOTAL FIXED ASSETS	43,467,938	45,892,281
Current assets		
Inventories	19,582,446	23,736,201
Trade receivables and of other nature	17,126,264	26,495,011
Other receivables	8,152	159,270
Short-term financial investments	15,772,548	15,791,952
Cash and cash equivalents	15,533,792	9,005,254
TOTAL CURRENT ASSETS	68,023,202	75,187,688
TOTAL ASSETS	111,491,140	121,080,319
Trade liabilities and of other nature	16,376,661	23,578,208
Loans bearing short-term interest	0	0
Other liabilities	12,936,497	18,464,194
SHORT-TERM LIABILITIES	29,313,158	42,042,402
Long-term loans	1,188,214	950,571
Long-term deferred income		
TOTAL LONG-TERM LIABILITIES	1,188,214	950,571
Current tax liabilities		
Deferred tax liability		
TOTAL LIABILITIES	30,501,372	42,992,973
Deferred income-of which investment subsidies	4,779,224	4,143,745
Provisions	3,710,224	6,051,215
Share capital	6,976,465	6,976,465
- Subscribed capital	6,976,465	6,976,465
- Share capital adjustment to hyperinflation	0	0
Share premiums	0	0
Capital reserves	1,617,005	1,617,005
Legal reserves adjustment to hyperinflation	2,540,349	2,540,349
Reserves from the revaluation of tangible assets	1,769,778	1,769,778
Revaluation reserves	0	0
Earnings related to capital instruments	1,132,496	1,132,496
Retained earnings from revaluation reserve surplus	12,746,594	12,746,594
Other reserves	25,831,074	28,192,881
Other reserves adjustment to hyperinflation	3,309,306	3,309,306
Profit carried forward	0	0
Retained earnings from the adoption of IFRS	0	0
Cumulative profit	16,577,153	9,607,162
Distribution of profit	0	0
TOTAL EQUITY	72,500,220	67,892,036
TOTAL LIABILITIES AND EQUITY (TOTAL LIABILITIES)	111,491,140	124,619,835

CHAIRMAN OF THE BOARD OF DIRECTORS,
Full name, signature and company's stamp

CONSTANTIN STEFAN

PREPARED BY,
Full name, signature

ROXANA SCARLAT

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDING ON 30 SEPTEMBER 2017**

	30.09.2016	30.09.2017
		LEI
		30.09.2016
		30.09.2017
Production sold	144,990,883	143,413,712
Income from sale of goods	288,875	3,546,963
Income related to the cost of the product stocks	1,317,815	2,673,385
Income from trade discounts	-34,429	-40,586
Income from asset production	6,934	27,124
Income from operating subsidies	35,965	71,037
Other operating income	638,582	1,504,209
TOTAL OPERATING INCOME	147,244,625	151,195,844
Raw material and consumables expenses	112,163,300	109,217,482
Expenses on goods	365,582	3,156,212
Trade discounts received	-19	-7,732
Staff benefits expenses	12,457,557	15,138,504
Value adjustments on assets	2,178,189	2,176,860
Expenses	2,178,189	2,176,860
Income		
Value adjustments on current assets		
Expenses		
Income		
Value adjustments on provisions	-106,054	2,340,891
Expenses	39,952	2,432,677
Income	146,006	91,786
Other operating costs	6,390,804	8,945,898
TOTAL OPERATING COSTS	133,449,359	140,968,115
OPERATING PROFIT	13,795,266	10,227,729
Financial income	1,867,254	2,391,901
Financial expenses	1,279,806	1,247,432
FINANCIAL PROFIT	587,448	1,144,469
TOTAL INCOME	149,111,879	153,587,745
TOTAL COSTS	134,729,165	142,215,547
GROSS PROFIT	14,382,714	11,372,198
INCOME TAX EXPENSE	2,303,122	1,765,036
NET PROFIT	12,079,592	9,607,162
TOTAL COMPREHENSIVE INCOME FOR THIS PERIOD	12,079,592	9,607,162
BASIC/DILUTED EARNINGS PER SHARE	0,1731	0,1377

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ROXANA SCARLAT

**EXPLANATORY NOTES –ASSETS, RECEIVABLES,
LIABILITIES AND INVESTMENT BALANCE ON 30.09.2017**

1. Assets

On 30.09.2017 the total assets in net value have increased by 2,424,343 lei respectively by 5.68% compared to the beginning of the year, reaching the end of the third quarter at the value of 45,892,281 lei.

Structurally, compared to the beginning of the year, their situation is as follows:

Fixed assets:	Balance on 01.01.2017	Balance on 30.09.2017	30.09.2017/ 01.01.2017
Intangible assets	364,406	395,427	108.45
Tangible assets	24,749,148	25,142,670	101.59
Financial assets	18,354,184	20,354,184	110.90
Total fixed assets	43,467,938	45,892,281	105.57

a) Intangible assets:

In the third quarter of 2017 there were increases of the net intangible assets in the amount of 30,821 lei, and in gross amounts there were no increase or decreases.

b) Tangible assets:

The net tangible assets have registered an increase in the third quarter of 2017 in the amount of 393,522 lei, reaching the end of the reporting period at 25,142,670 lei.

	Land and land develop ment	Buildings	Plant and machinery	Other plant, equipment and furniture	Invest ment in progress	Tangible assets advances	Total
Cost 01.01.2017	2,866,621	12,802,508	27,576,596	907,869	1,228,379	129,042	45,511,015
Inflow			1,659,055		2,578,089		4,649,999
Outflow			1,487,147		1,614,080	412,855	3,101,227
Balance on 30.09.2017	2,866,621	12,802,508	27,748,504	907,869	2,192,388	541,897	47,059,787

Accumulated impairment on 1.01.2017		5,503,321	14,411,192	847,355			20,761,868
Impairment cost		321,353	1,840,194	9,266			2,170,813
Disposals of assets and cassation			1,015,564				1,015,564
Balance on 30.09.2017		5,824,674	15,235,822	856,621			21,917,117
Net book value	2,866,621	6,977,833	12,512,682	51,248	2,192,388	541,897	25,142,670

In 2017, until 30.09 there have been acquisitions of fixed assets, namely injection machines, temperature controllers, access control system with turnstiles, computer systems.

c) Financial assets:

On 30.09.2017 the company shows financial assets amounting to 20,354,184 lei, 2,000,000 representing loans to entities, and 18,354,184 representing investments in the stock market, out of which :

Issuer	No. of shares	Value on 30.09.2017
MERCUR	111,671	4,746,017.50
ELARS	20,555,276	2,055,527.60
CONCIFOR	3,206,788	1,146,810.50
AMPLO	2,668,396	10,405,828.14
TOTAL		18,354,183.74

For the "Shares held in the entities" amounting to 18,354,184 lei, the valuation at the cost was made on 31.12.2016 according to the Portfolio File and the value adjustments constituted in the previous years were canceled in the amount of 1,705,888.58 lei due to reclassification of these shares, from securities available for sale (account 2633), to securities accounted for at cost (account 2621).

2. Inventories account

On 30.09.2017, company's inventories had a total net value of 23,736,201 lei, compared to 19,582,446 lei at the end of the last year.

Structurally, compared to the beginning of the year, their situation is as follows:

Inventory items	01.01.2017	30.09.2017	30.09.2017/ 01.01.2017
- raw material and consumables	14,936,010	18,757,237	125.58
- production in progress	349,307	815,097	233.34
- finished goods and merchandise	2,680,765	2,558,672	95.44
- advances	1,616,364	1,605,195	99.31
Total	19,582,446	23,736,201	121.21

Inventories of raw material and materials are entered with the acquisition cost.

The increase in stocks on 30.09.2017 by 4,153,755 lei compared to the beginning of the year, respectively by 21.21%, registered on raw materials and materials by 25.58% which hold the largest share in total inventories and production in progress by 133.33%. The other inventory items (finished goods and advances) have registered a slight decrease as shown in the above table.

3. Accounts receivable

On 30.09.2017 net receivables amounted to 26,527,561 lei, increasing compared to the beginning of the year by 9,401,297 lei (54.89%).

Accounts receivable on 30.09.2017 compared to the end of the last are as follows:

	31.12.2016	30.09.2017	30.09.2017/ 31.12.2016
a) trade receivables	6,673,792	12,357,283	185.16
- uncollected clients	6,651,588	12,293,403	184.82
- not yet invoiced clients	3,961	7,134	180.11
provisions for impairment of	(-101,286)	(-101,286)	100.00

receivables			
- other receivables	17,497	56,000	320.05
Uncertain customers	102,032	102,032	100.00
b) paid advances	5,928	277,383	4679.20
advances provided balance services			
c) other receivables	10,446,544	13,860,345	132.68
- VAT to be refunded	2,963,276	4,081,004	137.72
- deductible VAT under settlement	141,923	127,709	89.98
- personnel receivables	0	0	*
- wage contributions to health insurance	38,170	68,522	179.52
- debtors	3,217,607	3,174,690	98.67
- investment subsidies	10,879	0	*
- discounts from pending operations	4,074,689	6,553,420	160.83
- other amounts on subsidies	*	*	*
- provisions for debtors	(-)145,000	(-)145,000	*
Total receivables	17,126,264	26,495,011	154.89

The largest share in total receivables are the trade receivables which registered an increase of 7,182,361 lei, respectively 85.16%, namely under the uncollected clients category.

Concerning the VAT to be recovered from the state budget amounting to 4,081,004 lei, the company has recorded monthly compensation claims with monthly tax liabilities.

4. Liquid assets

Liquid assets in lei and in foreign currency on 30.09.2017 were as follows:

Items	31.12.2016	30.09.2017	30.09.2017/ 31.12.2016
- Bank accounts in lei	5,816,597	4,889,543	84.06
- Bank accounts in foreign currencies	9,615,317	3,787,592	39.39
- Checks to be cashed	8,013	11,872	148.16
- Bank accounts for collaterals	68,561	74,681	108.93

- Desk cash	23,504	18,702	79.57
- Treasury advances	-	222,864	*
- Other values	-	-	*
TOTAL	15,533,792	9,005,254	57.97

Compared to the beginning of the year, the liquid assets have decreased by 6,528,538 lei (42.03%). The decrease derived primarily from foreign currency holdings, which decreased with the gross amount of 5,827,725 lei.

5. Short-term investments

On 30.09.2017 the company has short-term investments amounting to 15,791,952 lei compared to 15,772,548 lei from the end of the last year, out of which:

- effects receivable amounting to 46,809 lei, compared to 27,405 lei from the end of the last year;
- short-term investments amounting to 15,745,143 lei representing investments in the stock market and other related receivables.

Short-term investments are as follows:

Item no	Issuer	No. of shares	Value
1	Amonil Slobozia	32,626,200	129,040.80
2	Artego Tg.Jiu	287,828	1,606,082.24
3	Banca Transilvania Cluj Napoca	20,181	47,828.97
4	Braiconf S.A. Braila	7,904,221	5,611,996.91
5	Carbochim Cluj	562,133	4,357,542.59
6	Carbochim Cluj –A Cluj Napoca	49,000	363,580.00
7	Ceprocim S.A. Bucuresti	4,000	8,640.00
8	Conted Botosani	2,108	100,973.2
9	Iprolam S.A. Bucuresti	57,341	315,375.5
10	Lactate Natura SRL Tirgoviste	394,000	1,292,320.00

11	Mecanoenergetica S.A. Drobeta Turnu Severin	4,640,888	464,088.80
12	Metalul Mesa S.A. Salonta	845,877	84,587.7
13	Metalul Mesa SA (1) Salonta	11,500	1,150.00
14	Romanofir Talmaciu	74,847	853,256.80
15	S.I.F. Transilvania	40,000	10,220.00
16	Sigstrat S.A. Sighetul Marmatiei	891,839	151,612.63
17	Sigstrat S.A. Sighetul Marmatiei	891,839	151,612.63
18	Tarnava S.A. Sighisoara	214,163	10,705.15
19	Uztel Ploiesti	137,424	371,044.8
TOTAL		49,665,389	15,931,658.72

The shares suspended for trading, respectively 562,133 Carbochim shares, were revaluated on 31.12.2016 and adjustments for value losses amounting to 186,515.73 lei were recorded.

6. Accounts payable

On 30.09.2017 the company recorded an increase in total liabilities by 12,491,601 lei, respectively by 40.95%, reaching the end of the reporting period to the amount of 42,992,973 lei. Increasing liabilities at the end of the reporting period was influenced by the increase by 43.97% of trade liabilities, which represent 54.84% of the total liabilities.

On 30.09.2017 the company had the following liabilities, compared to the end of the last year:

LIABILITIES	31.12.2016	30.09.2017	30.09.2017/ 31.12.2016
TOTAL, out of which :	30,501,372	42,992,973	140.95
TRADE LIABILITIES	16,376,661	23,578,208	143.97
AMOUNTS DUE TO THE BUDGET AND OTHER FUNDS	2,915,931	2,322,540	79.65

FINANCIAL LIABILITIES AND RELATED (CREDITS)	1,188,214	950,571	80.00
SETTLEMENTS WITH EMPLOYEES AND RELATED	476,212	532,786	111.88
OTHER LIABILITIES	9,544,354	15,608,868	163.54

The largest share in total liabilities are the trade ones, respectively suppliers and related accounts, with 23,578,208 lei (54.84%), liabilities to the state budget, social insurance, health, and other special funds with 2,322,540 lei (5.40%), short and long-term loans with 950,571 lei (2.21%) etc. Tax payable are required in compensation with the tax receivable (VAT to be recovered) and is pending settlement.

On 30.09.2017 the liabilities to credit institutions (short and long-term bank loans) is a long-term investment loan amounting to 4,185,000 lei, out of which, on 30.09.2017, the amount of 950,571 lei is to be repaid. The loan is contracted with Raiffeisen Bank S.A. Bucuresti through Arges Regional Centre and is guaranteed as follows:

- security mortgage on current accounts opened by the borrower with the bank, on receivables to be collected via those accounts;
- security mortgage on receivables resulting from commercial relationship developed with Alfred Kaercher GMBH&CO;
- the security mortgage on technological equipment, owned by the borrower, financed by this facility;
- first ranking mortgage with priority over the future liquid assets constituted in the accounts opened by the client with the bank;

We mention the fact that liabilities to the employees have been paid in time, respectively in October 2017.

CHAIRMAN OF THE BOARD OF DIRECTORS,
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STEFAN CONSTANTIN

PREPARED BY,
Full name, signature

SCARLAT ROXANA

**CASH FLOW STATEMENT
ON 30.09.2017**

<i>Indirect method</i>	<i>- LEI-</i>	
Item name	Cash flow 01.01.2017	Cash flow 30.09.2017
A	2	4
+/- Business income	16,577,153	9,607,162
+ Depreciation included in cost	2,920,977	2,176,860
- Changes in inventories (+/-)	(-)5,660,768	(+)4,153,755
- Changes in receivables (+/-)	(+)1,254,527	(+)9,368,747
+ Changes in suppliers and client lenders (+/-)	(-)4,154,171	(+)7,201,547
- Changes in other asset items (+/-)	(+)1,931,183	(+)162,028
+ Changes in other liability items	(-)8,199,928	(-)16,286,318
A = Cash flow from operating activities	9,619,089	(-)10,661,223
+ Amounts from sale of assets and fixed assets	2,618	867,701
- Acquisitions of tangible assets	699,690	2,756,893
+ =B Cash flow from investment activities	(-)697,072	(-)1,889,192
+ Changes in loans (+/-) out of which:	(-)2,481,939	(-)237,643
* Short-term loans	0	
+ Paid dividends	3,779,485	6,259,520
+ = C Cash flow from financial activities	1,297,546	6,021,877
+ Liquid assets at the beginning of 2017	5,314,229	15,533,792
+ Net cash flow (A+B+C)	10,219,563	(-)6,528,538
= Liquid assets at the end of the period	15,533,792	9,005,254

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ROXANA SCARLAT

STATEMENT OF CHANGES IN EQUITY ON 30.09.2017

	share capital	legal reserve	other capital reserve	revaluation reserves	income from equity ins	balance carried forward	total equity
on 01.01.2017	6,976,465	1,617,005	25,831,074	7,828,699	1,132,496	29,114,481	72,500,220
profit /(loss) period						9,607,162	9,607,162
other elements of the comprehensive income	-	-					0
increases			2,361,807				2,361,807
decreases						16,577,153	16,577,153
total comprehensive income	-	-	2,361,807			-6,969,991	-4,608,184
on 30.06.2017	6,976,465	1,617,005	28,192,881	7,828,699	1,132,496	22,144,490	67,892,036

Elements of shareholders' equity	Balance 31.12.2016	Increases		Decreases		Balance on 30.09.2017
		Total, out of which	By transfer	Total, out of which	By transfer	
Capital subscribed and fully paid	6,976,465					6,976,465
Share capital adjustments (IFRS implementation)	-					
share premium	-					
Revaluation reserves	1,769,778					1,769,778
Legal reserves	1,617,005					1,617,005
Other elements of equity - Legal reserves	2,540,349					2,540,349
Reserves for own shares						
Statutory or contractual reserves						
Reserves representing the revaluation surplus						
Other reserves	25,831,074	2,361,807				28,192,881
Other elements of equity - Adjustment	3,309,306					3,309,306
Conversion reserves						

Retained earnings	12,746,594					12,746,594
<u>Retained earnings</u>						
Uncovered loss	-					
Retained earnings from the first time adoption of IAS 29 credit balance						
Debit balance	-					
Retained earnings from the adoption of IFRS for the first time						
<u>Retained earnings</u>						
Uncovered loss						
Retained earnings from changes in accounting policies						
credit balance						
Debit balance						
Retained earnings from correction of fundamental errors credit balance						
Debit balance						
Retained earnings representing surplus from revaluation reserves						-
Financial year result credit balance	16,577,153	9,607,162		16,577,153	16,577,153	9,607,162
Debit balance						-
Income related to the cancellation of equity instruments	1,132,496					1,132,496
Distribution of profit	-					-
Total equity	72,500,220	11,968,969	-	16,577,153	16,577,153	67,892,036

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CONSTANTIN STEFAN

ROXANA SCARLAT

ANNEX 30.B. ECONOMIC & FINANCIAL INDICATORS:

Indicator	Calculation method	Result	Optimal values
1. Current liquidity indicator	Current assets/ Current liabilities	$75\,028\,418 / 42\,042\,402 = 1.78$	2
2. Indebtedness indicator	Borrowed capital/Own capital x 100	$950\,571 / 67\,892\,036 \times 100 = 1.40$	Minimal Value
	or Borrowed capital/Invested capital x 100	$950\,571 / 68\,842\,607 \times 100 = 1.38$	Minimal Value
3. Turnover speed, for client debit items	Client average balance/Turnover x 90 days	$9\,657\,193 / 146\,920\,089 \times 273 = 17.94$ days	Maximal Value
4. Fixed assets turnover speed	Turnover/ Fixed assets	$146\,920\,089 / 45\,892\,281 = 3.20$	Minimal Value

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CONSTANTIN STEFAN**

**PREPARED BY,
Full name, signature
ROXANA SCARLAT**



Translation from Romanian

REVIEW REPORT

PREPARED BY SOCIETATEA CASA DE AUDIT CORVINIA S.R.L. PITEȘTI BRANCH

REGARDING THE FINANCIAL STATEMENTS ON 30.09.2017

OF ELECTROARGEȘ S.A. CURTEA DE ARGEȘ

Societatea CASA DE AUDIT CORVINIA S.R.L. PITEȘTI BRANCH, based on the contract for services agreed between the parties, reviewed the financial statements prepared by S.C. ELECTROARGEȘ S.A. Curtea de Argeș on 30.09.2017, which refer to:

- Assets, liabilities and shareholders' equity balance on 30.09.2017, with a total of 121,079,969 lei;
- Profit and loss account, with a net turnover of 146,920,089 lei;
- The gross profit on 30.09.2017, with a profit of 11,372,198 lei;

Responsibility for preparing these financial statements rests with the company's management.

The auditors' responsibility is that, based on the checks undertaken, to express an opinion on the financial statements prepared on 30.09.2017. The auditors carried out the verification of these statements in accordance with the statutory regulations, which have to be executed so as to obtain reasonable assurance that they do not contain significant errors.

The review was conducted in accordance with ISA and the Audit Rules issued by the Chamber of Financial Auditors of Romania, which are consistent with International Auditing Rules.

In brief, the following conclusions were drawn on 30.09.2017:

The company complies with the legislation and accounting standards of Romania, in accordance with the Ordinance no. 2844/2016 of the Public Finances Ministry for approval of Accounting Regulations in accordance with International Financial Reporting Standards, Ordinance no. 881/2012 of the Public Finances Ministry on the application of the International Financial Reporting Standards by companies whose securities are admitted to trading on a regulated market, the Accounting Law no. 82/1991, as republished and further amended and supplemented, Law no. 297/2004 on the capital market, as further amended and supplemented, including Law no. 24/2017 on the issuers of financial instruments and market operations.



Regarding the internal control, this is primarily carried out through management control and preventive financial control. The auditor recommends more detailed internal control procedures and more careful management oversight with more precise and detailed responsibilities in job descriptions, allowing the possibility of maintaining discipline in economic and financial activity and patrimony insurance protection. There is a proper organization of financial and management accounting, but it is recommended to establish internal procedures allowing the provision of information necessary to ensure a quality management through decisions appropriate to the company's functions. The auditor recommends updating the accounting policies in accordance with the provisions of the Ordinance no. 2844/2016 of the Public Finances Ministry for approval of Accounting Regulations in accordance with International Financial Reporting Standards. It is also recommended to organize the internal audit according to the rules developed by the Chamber of Financial Auditors of Romania.

The Financial Accounting Management is concerned with improving the quality of financial statements, seeking harmonization with the current professional requirements.

The asset and liability balance recorded an increase by 8.60 % on 30.09.2017 compared to the end of the previous year, so, structurally, the following situation was registered:

- the total net fixed assets increased by 2,424,343 lei, respectively by 5.58 % compared to the beginning of the year;

- current assets recorded an increase by 10.31 %, respectively by 7,013,368 lei compared to the beginning of the year, due to the approximately increase of all elements of current assets except for liquid assets which decreased significantly (57.97 %).

- on liabilities, there is a decrease in equity by 4,608,184 lei (6.36 %). Liabilities recorded an increase by 12,491,601 lei (40.95 %), and the provisions increased by 2,340,891 lei, respectively by 63.09 % compared to the beginning of the year. The investment subsidies decreased by 635,479 lei (13.30 %) by switching to their share the income related to amortization of tangible assets purchased from non-reimbursable funds.

The profit and loss account records an increase in net turnover by 1.15 % in the third quarter of 2017 compared to the same period of the previous year, respectively by 1,674,760 lei, determined by the 1127.85 % income increase from the sales of goods, respectively by 3,258,088 lei. The gross business income, recorded by the company on 30.09.2017 is of 11,372,198 lei, lower



by 3,010,516 lei, compared to the same period of the previous year (20.93 %), due mainly to the increase by 2,445,616 lei (118.02 %) of income from the sale of finished provision costs.

We are unaware of any transaction or decision of the executive management that we believe to violate the laws of Romania or the company charter on capital transactions or other transactions.

In our opinion, the third quarter financial statements give a true and fair view of the company's patrimony and financial position on 30.09.2017 and they have been prepared in an appropriate manner, in all significant respects, in accordance with the provisions of Ordinance no. 2844/2016 of the Public Finances Ministry for approval of Accounting Regulations in accordance with International Financial Reporting Standards.

STATUTORY AUDITOR,

SOCIETATEA CASA DE AUDIT CORVINIA S.R.L. PITESTI BRANCH, CAFR authorisation 1232/2014

FINANCIAL AUDITOR ȘENDRONI AUREL, CAFR authorisation 407/2001

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Tel : 0742018488

Date : 09.11.2017





Annexes

1. Assets, liabilities and shareholders' equity balance on 30.09.2017;
2. Profit and loss accounts on 30.09.2017;
3. Equity Records on 30.09.2017;
4. Rules and accounting methods;
5. Additional information:
 - A) Notes on Assets, liabilities and shareholders' equity balance;
 - B) Notes on Profit and loss accounts;
 - C) Other.



**ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY BALANCE
ON 30.09.2017**

Item no.	Item name	BALANCE		Diff 2017/2016	% 2017/2016
		01.01.2017	30.09.2017		
		Amounts (lei)	Amounts(lei)		
0	1	2	3	4	5
1.	ASSETS				
1.1.	Fixed assets:				
-	Intangible assets	364,606	395,427	30,821	108.45%
-	Tangible assets	24,749,148	25,142,670	393,522	101.59%
-	Financial assets	18,354,184	20,354,184	2,000,000	110.90%
-	Total fixed assets	43,467,938	45,892,281	2,424,343	105.58%
1.2.	Current assets:				
-	Inventories	19,582,446	23,736,201	4,153,755	121.21%
-	Receivables	17,126,264	26,495,011	9,368,747	154.70%
-	Liquid assets	15,533,792	9,005,254	-6,528,538	57.97%
-	Short-term investments	15,772,548	15,791,952	19,104	100.12%
-	Total current assets	68,015,050	75,028,418	7,013,368	110.31%
1.3.	Advance expenses	8,152	159,270	151,118	1953.75%
-	Total ASSETS	111,491,140	121,079,969	9,588,829	108.60%
2.	LIABILITIES				
2.1.	Shareholders' Equity				
-	Share capital	6,976,465	6,976,465	0	100.00%
-	Share premiums	0	0	0	0
-	Revaluation reserves	1,769,778	1,769,778	0	100.00%
-	legal reserve	1,617,005	1,617,005	0	100.00%
-	legal reserve adjustment and other reserves (IFRS implementation)	5,849,655	5,849,655	0	100.00%
-	other reserves	25,831,074	28,192,881	2,361,807	109.14%
-	Reported earnings	12,746,594	12,746,594	0	100.00%
-	reported earnings representing the revaluation reserve surplus	0	0	0	0
-	Business Income	16,577,153	9,607,162	-6,969,991	57.95%

-	Total Equity	72,500,220	67,892,036	-4,608,184	93.64%
2.2.	Liabilities to be paid within a period of up to 1 year	29,313,158	42,042,402	12,729,244	143.43%
2.3.	Liabilities to be paid within a period exceeding 1 year	1,188,214	950,571	-237,643	80.00%
2.4.	Provisions for expenditure risks	3,710,324	6,051,215	2,340,891	163.09%
2.5.	investment subsidies	4,779,224	4,143,745	-635,479	86.70%
-	Total LIABILITIES	111,491,140	121,079,969	9,588,829	108.60%

ANNEX no. 2

PROFIT AND LOSS ACCOUNT

on 30.09.2017

INDICATORS	30.09.2016	30.09.2017	Diff 2017/2016	% 2017/2016
Net turnover – Total, out of which:	145,245,329	146,920,089	1,674,760	101.15%
- Income from sale of finished products	143,355,117	141,869,150	-1,485,967	98.96%
- Income from works and services provided	813,262	886,214	72,952	108.97%
- Income from royalties and rents	707,284	550,340	-156,944	77.81%
- Income from sale of goods	288,875	3,546,963	3,258,088	1227.85%
- Income from other activities	115,221	108,008	-7,213	93.74%
- Trade discounts granted	-34,429	-40,586	-6,157	117.88%
Operating income – Total, out of which:	147,244,625	151,195,844	3,951,219	102.68%
- Turnover	145,245,330	146,920,088	1,674,758	101.15%
- Changes in inventories	1,317,815	2,673,385	1,355,570	202.86%
- Fixed production	6,934	27,124	20,190	391.17%
- Other operating income	674,546	1,575,246	900,701	233.53%
Operating costs – Total, out of which:	133,449,359	140,968,115	7,518,756	105.63%
- Raw material and consumables expenses	112,163,577	109,217,482	-2,946,095	97.37%
- Trade discounts received	-18,9	-7732	-7,713	40910.05%

- Other material expenses	107,248	208,339	101,091	194.26%
- Expenses on goods	365,582	3,156,212	2,790,630	863.34%
- Expenses on personnel	12,457,557	15,138,504	2,680,947	121.52%
- Depreciation and provisions expenses	2,072,135	4,517,751	2,445,616	218.02%
- Other operating costs	6,283,279	8,737,559	2,454,280	139.06%
I. OPERATING PROFIT	13,795,266	10,227,729	-3,567,537	74.14%
Financial income	1,867.254	2,391,901	524,647	128.10%
Financial expenses	1.279.806	1,247,432	-32,374	97.47%
II. FINANCIAL RESULT	587.448	1,144,469	557,021	194.82%
III. CURRENT PROFIT	14.382.714	11,372,198	-3,010,516	79.07%
TOTAL INCOME	149,111,879	153,587,745	4,475,866	103.00%
TOTAL EXPENSES	134,729,165	142,215,547	7,486,382	105.56%
IV. GROSS BUSSINES PROFIT	14,382,714	11,372,198	-3,010,516	79.07%
Tax on income	2,303,122	1,765,036	-538,086	76.64%
V. NET BUSINESS PROFIT	12,079,592	9,607,162	-2,472,430	79.53%

ANNEX no. 3

Equity Records on 30.09.2017

	share capital	legal reserve	other capital reserves	revaluation reserves	earnings from equity instruments	reported earnings	total equity
on 01.01.2017	6,976,465	1,617,005	25,831,074	7,828,699	1,132,496	29,114,481	72,500,220
profit /(loss) period						9,607,162	9,607,162
other elements of the comprehensive income	-	-				-	-
increases	-		2,361,807	-		-	2,361,807
decreases	-					16,577,153	16,577,153
total comprehensive income	-	-				-6,969,991	-4,608,184
on 30.09.2017	6,976,465	1,617,005	28,192,881	7,828,699	1,132,496	22,144,490	67,892,036

ANNEX NO.4

1.General information

S.C. "ELECTROARGES " S.A. Curtea de Argeş was established as a joint stock company following the reorganization and the concomitant division of IPEE ELECTROARGES Curtea de Argeş, under Law 15/1990 and in accordance with the Government Decision no. 1224/22 of November 1990, into two separate companies: S.C. ELECTROARGES S.A – electrical consumer goods manufacturer and IPEE S.A. - passive electronic components manufacturer.

The company's registered office is in Romania, strada Albeşti, nr. 12, Curtea de Argeş, Argeş County. The company is registered in the Trade Register with no. J03/758/23.10.1991, having the Tax Number 156027, RO fiscal attribute.

S.C.ELECTROARGES S.A.'s object of activity:

- manufacturing electrical consumer goods;
- manufacturing electronic machinery and devices;
- manufacturing activity-specific tools, devices, checkers.

Subscribed and fully paid capital on 30.09.2017 is 6,976,465 lei, representing 69,764,650 shares with nominal value of 0.10 lei/share.

On 30.09.2017 the shareholder structure is as follows:

ITEM NO.	HOLDER NAME	HOLDINGS	%
1.	CONSTANTIN RELATIVE INVESTMENTS SRL	2,569,954	36.84
2	LEGAL PERSONS	858,222	12.30
3.	NATURAL PERSONS	3,548,289	50.86
4.	TOTAL	6,976,465	100.00

Company's management:

a) The structure of the Boards of Directors is as follows :

Item no	Surname	Given name	Qualification	Position
1	Ştefan	Constantin	Economist	Chairman

2	Constantin Relative Investments S.R.L. Vasilachi Marius-Valentin – permanent representative		-	Member
3	Benjamins United S.R.L. Dumitrache Silviu-Bogdan – permanent representative		-	Member
4	Tudor	Dumitru	Chemist	Member
5	Gavrilă	Ion	Engineer	Member

b) The structure of the executive management:

Item no.	Surname	Given name	Position	Length of period in position
1	Zisu	Robert	General Director	Mandate Contract 12.05.2017-12.05.2021
2	Albu	Valeria	Deputy General Director	15.06.15 – indefinitely
3	Scarlat	Roxana	Economic Director	28.03.14 – indefinitely
4	Ghita	Flavius-Lucian	Production Director	01.04.16 – indefinitely
5	Barbu	Marin	Technical Director	01.11.06 – indefinitely
6	Golescu	Vasile	Quality Director	01.09.06 – indefinitely

2. Basis of presentation

The company adopted the reporting in accordance with IFRS on 31.12.2012, taking into consideration the provisions of art. no. 1 of the Ordinance no. 881/2012 of the Deputy Prime Minister and the Public Finances Ministry on the application of International Financial Reporting Standards by companies whose securities are admitted to trading on a regulated market.

Accounts presented in annexes 1-5 are in lei, the national currency. The company has its accounting organized in accordance with the accounting principles and practices required by the legislation in force in Romania at the reporting date, respectively:

- Accounting Law no. 82/1991 as republished and further amended and supplemented;
- the Ordinance no. 2844/2016 of the Public Finances Ministry for approval of Accounting Regulations in accordance with the International Financial Reporting Standards;

- Ordinance no. 881/2012 of the Public Finances Ministry on the application of International Financial Reporting Standards by companies whose securities are admitted to trading on a regulated market, as further amended and supplemented.

3. Accounting principles

The accounting principles applied by the company are:

Going concern principle – the company operated normally carrying out activities provided by the company's Articles and Memorandum of Association, without going into liquidation or significant reduction in activity. At this time there is no element of uncertainty related to certain events that can lead to its inability to continue the activity.

Consistency principle – the evaluation methods are applied consistently from one financial year to another.

Prudence principle – the evaluation was made on a prudent basis, respectively: on the balance was entered only the profit made, were recorded only the secure income and liabilities incurred during the current financial year or a previous one.

Matching principle - income and expenses for the financial year are taken into account regardless of the date of receipt or payment of such income and expenses.

Principle of separate evaluation of components of asset and liability items – components of assets or liabilities are evaluated separately.

Opening balance principle - opening balance for each financial year corresponds to the closing balance of the previous financial year.

Principle of non-compensation - compensation is not made between items of assets or liabilities or between items of income and expenses.

Substance over form principle – entering the amounts in the balance sheet and profit and loss account is made taking into consideration the substance of the reported transaction or arrangement and not just their legal form.

The accounting errors noticed will be corrected as follows:

- errors related to the current financial year are corrected on the profit and loss account, by cancelling the wrong transactions and accurate recording of the transactions. Depending on the possibilities offered by the software used, it could be specified whether the cancellation is performed by recording the initial operations in red or by reverse recording;

- errors on the previous financial year are corrected on account of retained earnings or profit and loss account, depending on the significance of the accounting error. In this case it will be established what a significant error means. It may be indicated that for errors related to previous financial years, the financial accounting management informs the Board of Directors on the nature of the error, value, causes etc.

Financial reports structure and periods of preparation:

The company prepares annual, semestrial and quarterly financial reports. They are prepared in accordance with national regulations and contain:

- »assets, liabilities and shareholders' equity balance;
- »profit and loss account;
- »informative data;
- »statement of assets and their amortization/depreciation;
- »equity records;
- »cash flow statement;
- »explanatory notes to the annual financial statements.

The financial statements are prepared by applying the accrual accounting and use of historical cost, amortized or revalued cost, except the following assets and liabilities estimated at fair value:

- assets and financial liabilities;
- derivatives;
- instruments held for sale.

Recognition of items in the financial reports is subject to the following criteria:

- it is likely that any future economic benefit related to the item to enter or leave the company;
- the item cost or value can be measured reliably;
- an asset is recognized as such in the balance when it is probable that it will bring a future economic benefit to the company and the asset has a cost that can be measured reliably;
- a liability is recognized as such in the balance when it is probable that an outflow of resources will result from the settlement of a present obligation and the value that this settlement will be achieved at can be measured reliably;
- income is recognized as such in the profit and loss account when there was an increase in economic benefits related to the increase of an asset or decrease of a liability, and these can be measured reliably;
- expenses are recognized as such in the profit and loss account when there has been a reduction in future economic benefits related to an asset decrease or liability increase, and this reduction can be measured reliably.

Regarding the compensation, it was indicated that the principle of non-compensation of assets and liabilities is applied, yet a financial asset and financial liability may be compensated, and the net amount is presented in the financial statements when: currently there is a legally enforceable right to compensate the recognized amounts, it is intended either to settle on a net basis, or to realize the asset and settle the obligation simultaneously under a legal procedure of compensation.

4. Significant accounting policies

We present some aspects of the accounting policies used by the company, such as:

TANGIBLE ASSETS (IAS 16)

An item of tangible assets that qualifies for recognition as an asset is measured at its cost.

Tangible assets are initially measured at acquisition cost (for those purchased for consideration), at input value (for those received as contribution in kind to the establishment / increase of share capital), and at fair value at the acquisition date (for those received for free).

For subsequent recognition, the company has adopted the revaluation model.

Revalued asset value being its fair value at the date of the revaluation less any subsequent accumulated depreciation and any accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ significantly from that which would be determined using the fair value at the balance sheet date. Revaluations are performed by independent appraisers ANEVAR certified. Revalued amount (extra) substitutes the acquisition cost. Additional differences in accounting revaluation is reflected in other comprehensive income and accumulated in equity under the heading of revaluation surplus (unless the increase compensates a previous revaluation decrease of the same asset previously recognized in profit or loss, in which case the increase is recognized directly in profit or loss).

Revaluation differences in minus are recognized in profit or loss (unless the decrease compensates a previous revaluation increase accumulated in equity as revaluation surplus, in which case the reduction is recognized in other comprehensive income, reducing the revaluation surplus). The revaluation surplus included in equity related to an item of tangible assets is transferred directly to retained earnings when the asset is recognized. This involves transferring the whole of the surplus when the asset is retired or disposed of. Transfers from revaluation surplus to retained earnings are not made through profit or loss.

DEPRECIATION

The depreciation costs for each period are recognized in profit or loss unless they are included in the carrying amount of another asset. Depreciation is calculated at book value (acquisition cost or revalued amount) using the straight-line method, over the estimated useful life of assets and it is included monthly in the company's expenses. Depreciation of an asset begins when it is available for use, ie when it is in the location and condition necessary for it to operate in the manner intended by management.

OTHER FINANCIAL ASSETS (IAS 39)

According to accounting regulations, acceptable financial assets are initially recognized at acquisition cost. Expenses related to the acquisition are recorded in the operating costs of the period. Here there is a difference in the recognition of the tangible assets, which may include the cost of such related expenses.

INVENTORIES (IAS 2)

On transition to IFRS, the company was using as evaluation method on exit from inventory, the FIFO evaluation method (method recognized by IAS 2), the company opting only for impaired inventory adjustment recognized at the previously applicable accounting regulations, which is lower than the net realizable value adjustment, required to apply IFRS.

TRADE RECEIVABLES AND OTHER OBLIGATIONS (IAS 39)

Trade receivables fall into the category of financial assets.

A financial asset is recognized in the statement of financial position when, and only when the company becomes part of the contractual provisions of the instrument. Trade receivables are carried at original invoice amount minus provision (impairment test) created for doubtful receivables. Amount of the provision (adjustment for impairment) is calculated as the difference between the carrying amount and the recoverable amount.

Income from sale/transfer of shareholdings will be recognized at the date when their ownership is transferred from seller to buyer, using settlement date accounting.

Income from sales of equity securities are recognized on a gross basis (transaction value) and those arising from transactions with short-term financial investments are recorded on a net basis (the difference between sale proceeds and cost).

TRADE LIABILITIES AND OTHER LIABILITIES (IAS 39)

- **liabilities** – are recorded at their nominal value. For bonds in foreign currency is applied the exchange rates from of transaction date and the end of each month conversion was made at the BNR exchange rates of the last day of the month.

- **wage costs** - the company contributes to public health funds, pensions, unemployment, hedge fund and occupational disease, calculated at the gross salary fund and recorded as expenses in the period referred.

- **borrowing costs** - all loans related interest costs are recorded as expenses when they occur. The company classifies short or long term loans in accordance with the provisions of credit agreements.

CASH FLOW STATEMENT

The transition from locally generally accepted accounting principles to IFRS has no significant effect on the statement of cash flow.

Cash and cash equivalents – for the statement of cash flow, cash and cash equivalents include cash in hand, deposits held at banks and net borrowings in current account.

TAX ON PROFIT

Recognition of liabilities and receivables regarding the current tax

Duty tax on the profit for the reporting period and for prior periods is recognized to the extent it is not paid.

If the amounts paid for the current period and prior periods exceed the amounts due for those periods, the excess is recognized as the amount to be recovered.

Benefits relating to a tax loss that can be transferred in order to recover the tax on profit from a prior period is recognized as amount to be recovered.

ANNEX no. 5

ADDITIONAL INFORMATION

A. NOTES ON ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY BALANCE

1. Fixed assets

On 30.09.2017, the total fixed assets in net value have increased by 2,424,343 lei, respectively by 5.58 %, compared to the beginning of the year, reaching the end of the quarter at the value of 45,892,281 lei.

Structurally, compared to the beginning of the year, their situation is as follows:

Fixed assets:	01.01.2017	30.09.2017	Diff +/-	%
Intangible assets	364,606	395,427	30,821	8.45%
Tangible assets	24,749,148	25,142,670	393,522	1.59%
Financial assets	18,354,184	20,354,184	2,000,000	10.90%
Total fixed assets	43,467,938	45,892,281	2,424,343	5.58%

On 30.09.2017 there have been increases of intangible assets in the amount of 30,821 lei.

The net tangible assets increased by 393,522 lei, reaching the end of the reporting period at 25,142,670 lei.

	Land and land development	Buildings	Plant and machinery	Other plant, equipment and furniture	Investment in progress	Tangible assets advances	Total
Cost 01.01.2017	2,866,621	12,802,508	27,576,596	907,869	1,228,379	129,042	45,511,015
Inflow			1,659,055		2,578,089	412,855	4,649,999
Outflow			1,487,147		1,614,080		3,101,227
Balance on 30.09.2017	2,866,621	12,802,508	27,748,504	907,869	2,192,388	541,896	47,059,787
Accumulated impairment on 1.01.2017		5,503,321	14,411,192	847,355			20,761,868

Impairment cost		321,354	1,840,194	9,266			2,170,814
Disposals of assets and cassation			1,015,564				1,015,564
Balance on 30.09.2017		5,824,675	15,235,822	856,621			21,917,118
Net book value	2,866,621	6,977,833	12,512,682	51,248	2,192,388	541,896	25,141,670

In the third quarter of 2017, there have been acquisitions of fixed assets, namely two injection machines and computer systems.

Financial assets

Regarding the financial assets, it is noticed that on 30.09.2017 they amount to 20,354,184 lei, out of which 2,000,000 lei represent loans granted to the affiliated entities (Amplu S.A. Ploiești) and 18,354,184 lei represent investments on the capital market.

Shares in jointly controlled entities are worth 18,354,184 lei. The situation at the acquisition cost is as follows:

Issuer	30.09.2017	
	No. of shares	Value
CONCIFOR BUZAU	3,206,788	1,146,810.50
MERCUR FAGARAS	111,671	4,746,017.50
ELARS RAMNICU SARAT	20,555,276	2,055,527.60
AMPLO PLOIESTI	2,668,396	10,405,828.14
Total	3,206,788	18,354,183.74

2. Inventory account

On 30.09.2017, company's inventories had a total net value of 23,736,201 lei, compared to 19,582,446 lei at the end of the previous year.

Structurally, compared to the beginning of the year, their situation is as follows:

Inventory item	01.01.2017	30.09.2017	DIFF	%
1	2	3	4=3-2	5=4/2
- finished goods and consumables	14,836,919	18,358,832	3,821,227 -122,093	25.58% -4.55%
- inventory advances - production in progress	1,645,367	1,605,097	463,760	139.58%

Total	19,582,446	23,736,201	4,153,755	21.21%
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Inventories of raw material and materials are entered at the acquisition cost.

The company did not make adjustments for inventories during the reporting period.

The increase in inventories at 30.09.2017 by 4,153,755 lei as compared to the beginning of the year, respectively by 21.21% was made on raw materials and materials by 25.58 %, which have the highest share in the total inventories and in production in progress by 133.35 %. Other inventory items (finished goods and merchandise) registered a slight decrease.

3. Accounts receivable

On 30.09.2017, net receivables amounted to **23,484,903** lei, increasing compared to the beginning of the year by **6,358,639** lei (37.13 %).

Accounts receivable on 30.09.2017 compared to the end of the previous year are as follows:

-VAT under settlement	141,923	127,709	-14,214	-10.02%
-debtors	31.12.2016	30.09.2017	DIF	%
- grants to be cashed	10,879	0	-10,879	-100.00%
a) trade receivables	6,673,792	12,357,283	5,683,491	85.16%
- discounts from	4,074,689	6,553,420	2,478,713	60.83%
operated in progress	6,651,588	12,293,403	5,641,815	84.82%
- adjustments for	(145,000)	(145,000)	0	0.00%
debtors impairment	102,031	102,031	0	0.00%
Total receivables	17,126,264	26,459,011	9,368,747	54.70%
-clients to be invocoed	3,961	7,134	3,173	80.11%
-provisions for impairment of receivables	(101,286)	(101,286)	0	0.00%
- other receivables	17,497	56,000	38,503	220.05%
b) paid advances	5,928	277,383	271,455	4579.20%
c) other receivables	10,446,544	13,860,345	3,413,801	32.68%
-VAT to be reimbursed	2,963,276	4,081,004	1,117,728	37.72%
-personnel receivables	0	0	0	0
- other social receivables (CASS)	38,170	68,522	30,352	79.52%

The share in total receivables is held by the trade receivables, which recorded an increase of 5,683,491 lei, respectively 85.16%, determined by the great number of uncollected clients.

Concerning the VAT to be recovered from the state budget amounting to 4,081,004 lei, the company has recorded monthly compensation claims with monthly tax payable and derive from the following months:

Period	Balance (lei)
July 2017	769,104
August 2017	1,791,167
September 2017	1,520,733
TOTAL	4,081,004

4.Liquid assets

Compared to the beginning of the year, liquid assets have increased by 6,014,727 lei (38.72 %). The increase derive primarily from foreign currency holdings from the recovery of the foreign currency receivables.

Items	31.12.2016	30.09.2017	Difference 2017-2016	%
Bank accounts in lei	5,816,597	4,889,543	-927,054	-15.94%
Bank accounts in foreign currency	9,615,317	3,787,592	-5,827,725	-60.61%
Cheques to be cashed	8,013	11,872	3,859	-48.16%
Bank accounts for collaterals	68,561	74,681	6,120	8.93%
Desk cash	25,304	18,702	-6,602	-26.09%
Other values	0	0	0	-
Treasury advances	0	222,864	222,864	-
TOTAL	15,533,792	9,005,254	-6,528,538	-42.03%

Compared to the beginning of the year, liquid assets decreased by 6,528,538 lei (42.03 %). The decrease comes mainly from the bank accounts in foreign currency, which decreased by 5,827,725 lei.

5. Short-term investments

On 30.09.2017 the company has short-term investments amounting to 15,791,952 lei compared to 15,772,548 lei from the end of the previous year, out of which effects receivable amounting to 46,809 lei and other short-term investments amounting to 15,745,143 lei.

The short-term investment situation on the capital market on 30.09.2017 is as follows:

Issuer	30.09.2017	
	No. of shares	Gross value
AMONIL SLOBOZIA	32,626,200	129,040,80
ARTEGO TG JIU	287,828	1,606,082.24
BANCA TRANSILVANIA CLUJ NAPOCA	20,181	47,828.97
BRAICONF	7,904,221	5,611,996.91
CEPROCIM BUCURESTI	4,000	8,640.00
CONTED BOTOSANI	2,108	100,973.20
CARBOCHIM Cluj	562,133	4,357,542.59
CARBOCHIM-A Cluj Napoca	49,000	363,580.00
IROLAM	57,341	315,375.50
LACTATE NATURA	394,000	1,292,320.00
MECANOENERGETICA TR SEV	4,640,888	464,088.80
METALUL MESA SA SALONTA	845,877	84,587.70
METALUL MESA SA (1) SALONTA	11,500	1,150.00
ROMANO FIR TALMACIU	74,847	853,255.80
SIF TRANSILVANIA	40,000	10,220.00
SIGSTAR SIGETUL MARMATIEI	891,839	151,612.63
SIGSTAR SIGETUL MARMATIEI	891,839	151,612.63
TARNAVA SIGHISOARA	214,163	10,705.15
UZTEL PLOIESTI	137,424	371,044.80
Total	49,655,389	15,931,658.72

A number of 562,133 shares held at Carbochim Cluj are suspended for trading. These were revaluated on 31.12.2016, with adjustments for losses in the amount of 186,515.73 lei.

6. Accounts payable

On 30.09.2017 the company recorded an increase of 12,491,601 lei in total liabilities, respectively by 40.95%, reaching the end of the reporting period to the amount of 42,992,973 lei. The increase in liabilities at the end of the reporting period was influenced by the 43.97 % increase of trade liabilities. On 30.09.2017 the company had the following liabilities, compared to the end of the previous year:

LIABILITIES	31.12.2016	30.09.2017	Difference 2017/2016	%
1	2	3	4=3-2	5=4/2*100
TOTAL out of which :	30,501,372	42,992,973	12,491,601	40.95%
TRADE LIABILITIES	16,376,661	23,578,208	7,201,547	43.97%
AMOUNTS DUE TO THE BUDGET AND OTHER FUNDS	2,915,931	2,322,540	-593,391	-20.35%
FINANCIAL LIABILITIES AND SIMILAR (CREDITS)	1,188,214	950,571	-237,643	-20.00%
SETTLEMENTS WITH EMPLOYEES AND SIMILAR	476,212	532,786	56,574	11.88%
OTHER LIABILITIES	9,544,354	15,608,868	6,064,514	63.54%

The largest share in total liabilities are the trade ones in the amount of 23,578,208 lei, representing 54.84 %, other liabilities in the amount of lei 15,608,868 lei, representing 36.31 %. Liabilities to the state budget, social insurance, health, and other special funds in the amount of 2,322,540 lei, representing 5.40 % of the total liabilities, required in compensation with the tax receivable (VAT to be recovered).

On 30.09.2017 the liabilities to credit institutions (short and long-term bank loans) is a long-term investment loan amounting to 4,185,000 lei, out of which, on 30.09.2017, the amount of 950,571 lei is to be repaid. The loan is contracted with Raiffeisen Bank S.A. Bucuresti through Arges Regional Centre and is guaranteed as follows:

- security mortgage on current accounts opened by the borrower with the bank, on receivables to be collected via those accounts;

- security mortgage on receivables resulting from commercial relationship developed with Alfred Kaercher GMBH&CO;
- the security mortgage on technological equipment, owned by the borrower, financed by this facility;
- first ranking mortgage with priority over the future liquid assets constituted in the accounts opened by the client with the bank;

7. Equity Records

Changes in equity on items are as follows:

Equity item	Balance on 31.12.2016	Increases		Decreases		Balance on 30.09.2017
		Total, out of which	By transfer	Total, out of which	By transfer	
Capital subscribed and fully paid	6,976,465	-	-	-	-	6,976,465
Share premiums	-					
Revaluation reserves	1,769,778	-	-	-	-	1,769,778
Legal reserves	1,617,005	-	-	-		1,617,005
Other elements of equity-Legal reserve adjustment (IFRS implementation)	2,540,349	-	-	-	-	2,540,349
Other reserves	25,831,074	2,361,807	-	-	-	28,192,881
Other elements of equity-Adjustment Other reserves (IFRS implementation)	3,309,306	-	-	-	-	3,309,306
Retained earnings	12,746,594		-	-	-	12,746,594
Retained earnings representing surplus from revaluation reserves	-	-	-	-		-

Financial year result credit balance	16,577,153	9,607,162		16,577,152	16,577,153	9,607,162
Earnings related to the cancellation of equity instruments	1,132,496	-	-	-	-	1,132,496
Total equity	72,500,220	9,461,262	-	16,577,152	16,577,153	67,892,036

On 30.09.2017 equity amounted to 67,892,036 lei, decreasing compared to the beginning of the year by 4,608,184 lei.

B. NOTES ON PROFIT AND LOSS ACCOUNT

1. Income, expenses and results by activity

These were determined by observing the independence and non-compensation principles.

2. Turnover volume, structure and evolution

On 30.09.2017, the company carried on a turnover of 146,920,089 lei, increasing by 1,674,760 lei compared to the same period of the previous year, respectively by 1.15 %.

Structurally, the turnover in the third quarter of 2017 compared to the same period of the previous year, is as follows:

Item name	30.09.2016	30.09.2017	Share %		Diff +/-	
			30.09.2016	30.09.2017	2017/2016	17/16
1	2	3	4=2/T*100	5=3/T*100	6=2-3	7=6/2*100
Income from sale of finished products	143,355,117	141,869,150	98.70%	96.56%	-1,485,967	-1.04%
Income from works and services provided	813,262	886,214	0.56%	0.60%	72,952	8.97%
Income from royalties, management locations and rents	707,284	550,340	0.49%	0.37%	-156,944	-22.19%
Income from sale of goods	288,875	3,546,963	0.20%	2.41%	3,258,088	1127.85%
Income from other activities	115,221	108,008	0.08%	0.07%	-7,213	-6.26%

Trade discounts granted	-34,429	-40,586	-0.02%	-0.03%	-6,157	17.88%
TURNOVER -Total	145,245,329	146,920,089	100.00	100.00	1,674,760	1.15%

Income of 141,869,150 lei from sale of finished goods represents 96.56 % of the turnover, decreasing by 1.04% compared to the same period of the previous year. On the other hand, there is an increase in sales of goods by 1127.85 %, respectively by 3,258,088 lei, as compared to the same period of the previous year.

The detailed profit and loss account on 30.09.2017, compared to 30.09.2016 is as follows:

ITEM NAME	30.09.2016	30.09.2017	Diff.+/-	% 2017/2016
1	2	3	4=3-2	5=3/2*100
Net turnover – Total, out of which:	145,245,329	146,920,089	1,674,760	101.15%
- Income from sale of finished products	143,355,117	141,869,150	-1,485,967	98.96%
- Income from works and services provided	813,262	886,214	72,952	108.97%
- Income from royalties and rents	707,284	550,340	-156,944	77.81%
- Income from sale of goods	288,875	3,546,963	3,258,088	1227.85%
- Income from other activities	115,221	108,008	-7,213	93.74%
- Trade discounts granted	-34,429	-40,586	-6,157	117.88%
Operating income – Total, out of which:	147,244,625	151,195,844	3,951,219	102.68%
- Net turnover	145,245,329	146,920,089	1,674,758	101.15%
- Changes in inventories	1,317,815	2,673,385	1,355,570	202.86%
- Fixed production	6,934	27,124	20,190	391.17%
- Other operating income	674,546	1,576,246	900,701	233.53%
Operating costs – Total out of which:	133,449,359	140,968,115	7,518,756	105.63%
- Raw material and consumables expenses	112,163,577	109,217,482	-2,946,905	97.37%
- Trade discounts received	-18.9	-7732	-7,713	40910.05%

- Other material expenses	107,248	208,339	101,091	194.26%
- Expenses on goods	365,582	3,156,212	2,790,630	863.34%
- Expenses on personnel	12,457,557	15,138,504	2,680,947	121.52%
- Depreciation and provisions expenses	2,072,135	4,517,751	2,445,616	218.02%
- Other operating costs	6,283,279	8,737,559	2,454,280	139.06%
I. OPERATING PROFIT	13,795,266	10,227,729	-3,567,537	74.14%
Financial income	1,867,254	2,391,901	524,647	128.10%
Financial expenses	1,279,806	1,247,432	-32,374	97.47%
II. FINANCIAL RESULT	587,448	1,144,469	557,021	194.82%
III. CURRENT PROFIT	14,382,714	11,372,198	-3,010,516	79.07%
TOTAL INCOME	149,111,879	153,587,745	4,475,866	103.00%
TOTAL EXPENSES	134,729,165	142,215,547	7,486,382	105.56%
IV. GROSS BUSINESS PROFIT	14,382,714	11,372,198	-3,010,516	79.07%
Tax on profit	2,303,122	1,765,036	-538,086	76.64%
V. NET BUSINESS PROFIT	12,079,592	9,607,162	-2,472,430	79.53%

Operating income amounted to 151,195,844 lei, increasing by 3,951,219 lei compared to the third quarter of 2016, respectively by 2.68 %. At the same time, the operating costs increased by 140,968,115 lei compared to the same period of the previous year, respectively by 5.63 %, which entailed getting an operating income (profit) lower than the previous year by 3,567,537 lei, respectively a decrease of 25.86%.

The largest share in in operating costs is represented by the raw material and consumables ones with a rate of 77.47% compared to 84.04 % from the same period of the previous year; expenses on personnel represent 10.74 %, compared to 9.34 % from the same period of the previous year.

The gross operating profit was influenced by the profit from financial activity, ultimately resulting a gross profit of 11,372,198 lei and a net profit of 9,607,162 lei, decreasing by 2,472,430 lei (20.47%) compared to the same period of the previous year.

10. Significant economic & financial indicators

The importance of calculating the economic & financial indicators lies in the knowledge of their evolution and comparison with the previous financial years, which provides the Electroargeş S.A.'s management the ability to carry out financial & economic analysis with an impact in the decision making process.

Also, knowledge on the level of economic & financial indicators allow comparisons with other entities in similar sectors, domestic or international.

2. Financial profitability	Net profit x 100/ Equity	18.06%	14.15%
3. Gross margin rate	Gross profit x 100/ T	Third quarter 2016	Third quarter 2017
I. Liquidity indicators			
1. General liquidity	Current assets / Current liabilities	1.90	1.78
2.Immediate liquidity ("acid test ")	(Current assets-Inventories)/ Current liabilities	1.21	1.15
3. General solvency ratio	Total assets /Current liabilities	3.12	2.82
II. Indicators of financial balance			
1. Total liabilities ratio	Total liabilities/Total assets	0.33	0.36
2. Equity to fixed assets ratio	Equity/ Fixed assets	1.58	1.48
III. Management indicators			
1. Inventories turnover speed (no. of turns)	Turnover/ Inventories	6.15	6.19
2. No. of storage days	Inventories /T x 273 days	44.33	44.11
3. Turnover speed, for client debit items	Liabilities/ T x 273 days	39.94	49.23
4. Fixed assets turnover speed	Turnover/ Fixed assets	3.44	3.20
5.Total assets turnover speed	T/Total assets	1.35	1.21
IV. Profitability indicators			
1. Economic profitability	Gross profit x 100/ Total assets	11.24%	9.39%



- General liquidity indicator (current) shows the amount by which current assets exceed short-term liabilities and guarantees coverage of current liabilities from current assets; Recommended and acceptable value is around 2;
- Immediate liquidity or " acid test ". This indicator eliminates inventories because they can not immediately turn to liquidities, expressing the entity's ability to pay liabilities; Recommended and acceptable value is around 1. The more the acid test ratio is greater than 1, the better the entity's situation;
- Management indicators provide information on the turnover speed of current assets, total assets and receivables;
- Inventory turnover speed indicator shows how many times the inventory was rolled along the year;
- Number of storage days - indicates the number of days in which the goods are stored on the premises. The less days, the better the situation, in the sense that inventories are used in manufacturing, supply inventories are rhythmic and there is no risk of recording slow moving or difficult to sell inventories;
- Fixed assets turnover speed - the indicator expresses the number of rotations made by fixed assets for the turnover.
- Profitability ratios are synthetic indicators that measure, in a relative way, the profitability or the company's ability to make profit.

C. REFERENCES ON:

1. Preparation of financial reports, accounting records

Financial reports on 30.09.2017 have been prepared under the management's responsibility, in accordance with Law 31/1990 , as republished and further amended and supplemented, Accounting Law no. 82/1991 as republished and further amended and supplemented, and the Ordinance no. 2844/2016 of the Public Finances Ministry for approval of Accounting Regulations in accordance with International Financial Reporting Standards. The accounting records reflect chronologically and systematically the records based on relevant documents. The analytical accounting is consistent with the synthetic one. Synthetic accounting balances are prepared monthly, these are periodically made consistent with the analytical accounting.

The financial auditor recommends analyzing and taking the necessary measures taking into account the provisions of art. 160, paragraph (2), of the Companies Law no. 31/1990 as republished and further amended and supplemented and the provisions of the Law no. 162/2017 (Title I, Chapter I, Art.2 and Chapter IX, Art.65, paragraph 1, Title III, art. 86, pt. 8).





It also recommends the development and approval of working procedures for each of the sensitive activities at Electroarges S.A., procedures through which to determine the actions, activities, the activity process and the responsible persons involved in such activity process.

12. Further events

In 2017, the company does not intend, nor are there at the moment reasons to determine activity reduction or its termination. Up to the reporting date, we have not been notified by the company's management about events that could endanger the continuity of the company's activity.

STATUTORY AUDITOR,

CASA DE AUDIT CORVINIA S.R.L. PITESTI BRANCH, CAFR AUTHORISATION 1232/2014

FINANCIAL AUDITOR ȘENDRONI AUREL, CAFR AUTHORISATION 407/2001

Date: 09.11.2017



Form

S1045

Accounting Report on 30.09.2017

Checksum
12,826,120

Form
type **IT**

Reporting date
30.09.2017

Year **2017**

Identification data ▶

* *Mandatory fields*

* Entity
ELECTROARGES SA

Large taxpayers who submit their balance in Bucharest

VALIDATED FORM

* Trade Register Registration Number **J03/758/1991** * Tax Identification Number **156027**

Branch

Listing Release

* Main activity: NACE Code—Activity name **2751—Manufact. household appliances** [Select](#)

* Main activity actually practiced: NACE Code—Activity name **2751—Manufact. household appliances** [Select](#)

Net assets less than half of the subscribed capital

* Property form **34-- Joint stock company** [Select](#)

Street **ALBESTII** No. **12**

Block _____ Entrance _____ Apartament _____

Telefon **0248724000** e-mail **electroarges@electroarges.ro**

* County **ARGES** Sector _____

* City **Curtea de Arges**

Signature

s * *Mandatory fields*

Electronic signature may be applied only after the successful validation of the application form

Administrator

* Full name
**STEFAN
CONSTANTIN**

Prepared by

* Full name
SCARLAT ROXANA

Electronic signature



Signature

* Position
11—Economic Director

Registration no. with the professional body

*Other authorized person according to the law

Signature

** Authorized natural or legal person, CECCAR member

*) Accounting report on September 30, 2017 issued by the entities which must follow the accounting regulations in accordance with the International Financial Reporting Standards approved by the Ordinance no. 2.844/2016 of the Public Finances Minister and registered a turnover greater than 220,000 lei in the previous financial year.

Indicators

Fields with calculated values

Capital - total
67,892,036

Profit/ loss
9,607,162

Subscribed capital
6,976,465

CODE 10 ► ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY BALANCE on 30.09.2017
[Delete data in this tabel](#)

(lei)

(Code 10)

Item name	Row no.	Balance on:	
		January 01 2017	September 30 2017
A	B	1	2
A. FIXED ASSETS			
I. INTANGIBLE ASSETS			
1. Development costs (acc. 203 - 2803 - 2903)	01		31,621
2. Concessions, patents, licenses, trademarks, similar rights and assets and other intangible assets (acc. 205 + 208 - 2805 - 2808 - 2905 - 2906 - 2908)	02	342,958	342,158
3. Goodwill (acc. 2071)	03		
4. Advances (acc. 4094)	04	21,648	21,648
5. Intangible exploration and evaluation assets of mineral resources (acc. 206 - 2806 - 2907)	05		
TOTAL: (row 01 to 05)	06	364,606	395,427
II. TANGIBLE ASSETS			
Land and buildings (acc. 211 + 212 - 2811 - 2812 - 2812 - 2911 - 2912)	07	10,165,809	9,844,455
2. Plant and machinery (acc. 213 + 223 - 2813 - 2913)	08	13,165,404	12,512,682
3. Other plant, equipment and furniture (ct. 214 + 224 - 2814 - 2914)	09	60,514	51,248
4. Investment property (acc. 215 - 2815 - 2915)	10		
5. Tangible assets in progress (acc. 231 - 2931)	11	1,228,379	2,192,388
6. Investment property in progress (acc. 235 - 2935)	12		
7. Tangible exploration and evaluation assets of mineral resources (acc. 216 - 2816 - 2916)	13		
8. Productive plants (acc. 218 - 2828 - 2918)	14		
9. Advances (acc. 4093)	15	129,042	541,897
TOTAL: (row 07 to 15)	16	24,749,148	25,142,670
III. III. PRODUCTIVE BIOLOGICAL ASSETS (acc. 241 + 227 - 284 - 294)	17		
IV. CAPITAL ASSETS			
1. Shares in subsidiaries (acc. 261 - 2961)	18		
2. Loans to group entities (acc. 2671 + 2672 - 2964)	19		

	A	B	1	2
3. Shares in associates and jointly controlled entities (acc. 262 + 263 - 2962)		20	18,354,184	18,354,184
4. Loans to associates and jointly controlled entities (acc. 2673 + 2674 - 2965)		21		2,000,000
5. Other financial assets (acc. 265 + 266 - 2963)		22		
6. Other loans(acc. 2675* + 2676* + 2677 + 2678* + 2679* - 2966* - 2968*)		23		
TOTAL: (row 18 to 23)		24	18,354,184	20,354,184
FIXED ASSETS – TOTAL (row 06 + 16 + 17+ 24)		25	43,467,938	45,892,281
B. CURRENT ASSETS				
I. INVENTORIES				
1. Raw materials and consumables (acc. 301 + 302 + 303 +/- 308 + 321 + 322 + 323 + 328 + 351 + 358 + 381 +/- 388 - 391 - 392 - 3951 - 3958 – 398)		26	14,936,010	18,757,237
2. Intangible assets held for sale (acc. 311)		27		
3. Production in progress (acc. 331 + 341 +/- 348* - 393 - 3941 - 3952)		28	349,307	815,097
4. Finished goods and merchandise (acc. 326 + 327 + 345 + 346 + 347 +/- 348* + 354 + 356 + 357 + 361 +/- 368 + 371 +/- 378 - 3945 - 3946 - 3947 - 3953 - 3954 - 3955 - 3956 - 3957 - 396 - 397 - 4428)		29	2,680,765	2,558,672
5. Advances (acc. 4091)		30	1,616,364	1,605,195
TOTAL (row 26 to 30)		31	19,582,446	23,736,201
II. RECEIVABLES (Amounts to be received after more than one year must be shown separately for each item)				
1. Trade receivables ¹ (acc. 2675* + 2676* + 2678* + 2679* - 2966* - 2968* + 411 + 413 + 418 - 491)		32	6,673,792	12,357,283
2. Paid advances (acc. 4092)		33	5,928	277,383
3. Amounts receivable from group entities (acc. 451** - 495*)		34		
4. Amounts receivable from associates and jointly controlled entities (acc. 453** - 495*)		35		
5. Receivables arising from derivatives (acc. 4652)		36		
6. Other receivables (acc. 425 + 4282 + 431** + 437** + 4382 + 441** + 4424 + 4428** + 444** + 445 + 446** + 447** + 4482 + 4582 + 461 + 4662 + 473** - 496 + 5187)		37	10,446,544	13,860,345
7. Capital subscribed and not paid (acc. 456 - 495*)		38		
TOTAL (row 32 to 38)		39	17,126,264	26,495,011
III. SHORT-TERM INVESTMENTS (acc. 505 + 506 + 507 + from acc. 508 - 595 - 596 - 598 + 5113 + 5114)				
		40	15,772,548	15,791,952
IV. HOUSE AND BANK ACCOUNTS (from acc. 508 + acc. 5112 + 512 + 531 + 532 + 541 + 542)				
		41	15,533,792	9,005,254

	CURRENT ASSETS – TOTAL (row 31 + 39 + 40 + 41)	42	68,015,050	75,028,418
C.	PREPAYMENTS (acc. 471) (row 44+45)	43	8,152	159,270
	Amounts to be resumed in a period of up to one year (from acc. 471*)	44	8,152	159,270
	Amounts to be resumed within a period exceeding one year (from acc. 471*)	45		
D.	LIABILITIES: AMOUNTS TO BE PAID IN A PERIOD OF UP TO ONE YEAR			
	1. Debenture loans, showing separately the convertible debenture loans (acc. 161 + 1681 - 169)	46		
	2. Amounts owed to credit institutions (acc. 1621 + 1622 + 1624 + 1625 + 1627 + 1682 + 5191 + 5192 + 5198)	47		
	3. Advances cashed for orders (acc. 419)	48	16,863	42,785
	4. Trade liabilities - suppliers (acc. 401 + 404 + 408)	49	13,663,667	21,265,599
	5. Bills payable (acc. 403 + 405)	50	2,696,131	2,269,824
	6. Liabilities from financial lease (acc. 406)	51		
	7. Amounts owed to group entities (acc. 1661 + 1685 + 2691 + 451****)	52		
	8. Amounts owed to associates and jointly controlled entities (acc. 1663 + 1686 + 2692 + 453****)	53		
	9. Liabilities arising from derivatives (acc. 4651)	54		
	10. Other liabilities, including tax payable and national insurance liabilities (acc. 1623 + 1626 + 167 + 1687 + 2693 + 2695 + 421 + 422 + 423 + 424 + 426 + 427 + 4281 + 431**** + 437**** + 4381 + 441**** + 4423 + 4428**** + 444**** + 446**** + 447**** + 4481 + 455 + 456**** + 457 + 4581 + 462 + 4661+ 473**** + 509 + 5186 + 5193 + 5194 ++ 5195 + 5196 + 5197)	55	12,936,497	18,464,194
	TOTAL (row 46 to 55)	56	29,313,158	42,042,402
E.	NET CURRENT ASSETS/NET CURRENT LIABILITIES (row 42 +44 - 56 – 74 - 77 - 80)	57	37,862,738	32,298,317
F.	TOTAL ASSETS MINUS CURRENT LIABILITIES (row 25 + 57)	58	81,330,676	78,190,598
G.	LIABILITIES: AMOUNTS TO BE PAID IN A PERIOD EXCEEDING ONE YEAR			
	1. Debenture loans, showing separately the convertible debenture loans (acc. 161 + 1681 - 169)	59		
	2. Amounts owed to credit institutions (acc. 1621 + 1622 + 1624 + 1625 + 1627 + 1682 + 5191 + 5192 + 5198)	60	1,188,214	950,571
	3. Advances cashed for orders (acc. 419)	61		
	4. Trade liabilities - suppliers (acc. 401 + 404 + 408)	62		
	5. Bills payable (acc. 403 + 405)	63		

	6. Liabilities from financial lease (acc. 406)	64		
	7. Amounts owed to group entities (acc. 1661 + 1685 + 2691 + 451***)	65		
	8. Amounts owed to associates and jointly controlled entities (acc. 1663 + 1686 + 2692 + 453***)	66		
	9. Liabilities arising from derivatives (acc. 4651)	67		
	10. Other liabilities, including tax payable and national insurance liabilities (acc. 1623 + 1626 + 167 + 1687 + 2693 + 2695 + 421 + 422 + 423 + 424 + 426 + 427 + 4281 + 431*** + 437*** + 4381 + 441*** + 4423 + 4428*** + 444*** + 446*** + 447*** + 4481 + 455 + 456*** + 4581 + 462 + 4661 + 473*** + 509 + 5186 + 5193 + 5194 + 5195 + 5196 + 5197)	68		
	TOTAL (row 59 to 68)	69	1,188,214	950,571
H.	PROVISIONS			
	1. Employee benefits provisions (acc. 1517)	70		
	2. Other provisions (acc. 1511 + 1512 + 1513 + 1514 + 1518)	71	3,710,324	6,051,215
	TOTAL (row 70 + 71)	72	3,710,324	6,051,215
I.	DEFERRED REVENUE			
	1. Investment subsidies (acc. 475) (row 74+75)	73	4,779,224	4,143,745
	Amounts to be resumed in a period of up to one year (from acc. 475*)	74	847,306	846,969
	Amounts to be resumed within a period exceeding one year (from acc. 475*)	75	3,931,918	3,296,776
	2. Deferred revenue (acc. 472) - total (row 77 + 78), out of which:	76		
	Amounts to be resumed in a period of up to one year (acc. 472*)	77		
	Amounts to be resumed within a period exceeding one year (acc. 472*)	78		
	3. Deferred revenue received from customers via transfer (acc. 478) (row 80+81)	79		
	Amounts to be resumed in a period of up to one year (from acc. 478*)	80		
	Amounts to be resumed within a period exceeding one year (from acc. 478*)	81		
	TOTAL (row 73 + 76 + 79)	82	4,779,224	4,143,745
J.	CAPITAL AND RESERVES			
	I. CAPITAL			
	1. Capital subscribed and paid (acc. 1012)	83	6,976,465	6,976,465
	2. Capital subscribed and not paid (acc. 1011)	84		

3. Subscribed capital representing financial liabilities ² (acc. 10270)		85		
4. Capital adjustments (acc. 1028)	BALANCE C	86		
	BALANCE D	87		
5. Other elements of equity (acc. 103)	BALANCE C	88	5,849,655	5,849,655
	BALANCE D	89		
TOTAL (row 83 + 84 + 85 + 86 - 87 + 88- 89)		90	12,826,120	12,826,120
II. SHARE PREMIUMS (acc. 104)		91		
III. REVALUATION RESERVE (acc. 105)		92	1,769,778	1,769,778
IV. RESERVES				
1. Legal reserves (acc. 1061)		93	1,617,005	1,617,005
2. Statutory or contractual reserves (acc. 1063)		94		
3. Other reserves (acc. 1068)		95	25,831,074	28,192,881
TOTAL (row 93 to 95)		96	27,448,079	29,809,886
Exchange differences arising from the conversion of the individual annual financial statements in a presentation currency other than the functional currency (acc. 1072)	BALANCE C	97		
	BALANCE D	98		
Own shares (acc. 109)		99		
Earnings related to equity instruments (acc. 141)		100	1,132,496	1,132,496
Losses related to equity instruments (acc. 149)		101		
V. RETAINED EARNINGS EXCLUDING THE RETAINED EARNINGS ARISING FROM THE FIRST TIME ADOPTION OF IAS 29 (acc. 117)	BALANCE C	102	12,746,594	12,746,594
	BALANCE D	103		
VI. RETAINED EARNINGS ARISING FROM THE FIRST TIME ADOPTION OF IAS 29 (acc. 118)	BALANCE C	104		
	BALANCE D	105		
VII. PROFIT OR LOSS AT THE END OF THE REPORTING PERIOD (acc. 121)	BALANCE C	106	16,577,153	9,607,162
	BALANCE D	107		
Distribution of profit (acc. 129)		108		

SHAREHOLDERS' EQUITY - TOTAL (row 90 + 91 + 92 + 96 + 97 - 98 - 99 + 100 - 101 + 102 - 103 + 104 - 105 + 106 - 107 -108)		109	72,500,220	67,892,036
Private patrimony (acc. 1023) ³		110		
Public patrimony (acc. 1026)		111		
CAPITAL – TOTAL (row 109 + 110 + 111)		112	72,500,220	67,892,036
VALIDATED FORM	Checksum Form 10: 1568524886 / 1568524886,2155974285,579078			

Signatures ►

Administrator

Full name

STEFAN CONSTANTIN

Signature

Prepared by

Full name

SCARLAT ROXANA

Position

11-Economic Director

Registration no. with the professional body

Signature

*) Accounts to be assigned according to the nature of such items.

**) Debit balances of such accounts.

***) Credit balances of such accounts.

1) The amounts entered to this row and taken from accounts 2675 to 2679 represent receivables from financial leasing and other similar contracts, as well as other receivables, due within a period of less than 12 months.

2) In this account are shown the actions which, according to IAS 32, represent financial liabilities.

3) To be filled in by the entities which are incident to the provisions of the Ordinance no. 668/2014 of the Public Finances Minister and the Minister Delegate for Budget on the approval of the Specifications on preparing and updating the centralized inventory of the private property real estate and the real rights subjected to inventory, as further amended and supplemented.

CODE 20 ► INCOME AND EXPENDITURE BALANCE on 30.09.2017

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 tabel (Code 20)

(lei)

Item name		Row no.	Reporting period	
			01.01.2016 - 30.09.2016	01.01.2017 - 30.09.2017
A		B	1	2
1	Net turnover (row 02 + 03 - 04 + 05)	01	145,245,329	146,920,089
	Production sold (acc. 701 + 702 + 703 + 704 + 705 + 706 + 708)	02	144,990,883	143,413,712
	Income from sale of goods (acc. 707)	03	288,875	3,546,963
	Trade discounts granted (acc. 709)	04	34,429	40,586
	Operating income from subsidies related to turnover (acc. 7411)	05		
2	Income related to the costs of the product inventories (acc. 711)	BALANCE C	1,317,815	2,673,385
		BALANCE D		
3	Income from the fixed assets production and investment property (row 09 + 10)	08	6,934	27,124
4	Income from the intangible and tangible assets production (acc. 721 + 722)	09	6,934	27,124
5	Income from property investment production (acc. 725)	10		
6	Income from fixed assets (or the group assigned for release) held for sale (acc. 753)	11		
7	Income from revaluation of the intangible and tangible assets (acc. 755)	12		
8	Income from investment property (acc. 756)	13		
9	Income from biological assets and agricultural products (acc. 757)	14		
10	Operating income from subsidies (acc. 7412 + 7413 + 7414 + 7415 + 7416 + 7417 + 419)	15	35,965	71,037
11	Other operating income (acc. 758 + 751)	16	638,582	1,504,209
	- out of which, income from investment subsidies (acc. 7584)	17	635,404	635,479
OPERATING INCOME - TOTAL (row 01 + 06 - 07 + 08 + 11 + 12 + 13 + 14 + 15 + 16)		18	147,244,625	151,195,844
12	a) Raw materials and consumables expenses (acc. 601 + 602)	19	112,163,300	109,217,482
	Other material expenses (acc. 603 + 604 + 606 + 608)	20	107,525	208,339
	b) Other external expenses (energy and water) (acc. 605)	21	1,706,981	1,834,738
	c) Expenditure on goods (acc. 607)	22	365,582	3,156,212
	Trade discounts received (acc. 609)	23	19	7,732
13	Personnel expenses (row 25+ 26), out of which:	24	12,457,557	15,138,504

	A	B	1	2
	a) Wages and allowances (acc. 641 + 642 + 643 + 644)	25	10,164,682	12,418,588
	b) Expenses on insurance and social protection (acc. 645)	26	2,292,875	2,719,916
14	a) Value adjustments on intangible and tangible assets, investment property and biological assets measured at cost (row 28 - 29)	27	2,178,189	2,176,860
	a.1) Expenditure (acc. 6811 + 6813 + 6816 + 6817)	28	2,178,189	2,176,860
	a.2) Income (acc. 7813 + 7816)	29		
	b) Value adjustments on current assets (row 31- 32)	30		
	b.1) Expenditure (acc. 654 +6814)	31		
	b.2) Income (acc. 754 +7814)	32		
15	Other operating costs (row 34 to 42)	33	4,576,298	6,902,821
	15.1. Expenditure on external services (acc. 611 + 612 + 613 + 614 + 615 + 621 + 622 + 623 + 624 + 625 + 626 + 627 + 628)	34	3,739,603	4,814,094
	15.2. Other taxes, fees and similar payments; expenses representing transfers and contributions due under special acts (acc. 635 + 6586)	35	292,078	372,923
	15.3. Expenses on environmental protection (acc. 652)	36	231,212	285,339
	15.4. Expenses from fixed assets (or the group assigned for release) held for sale (acc. 653)	37		
	15.5. Expenses from revaluation of the intangible and tangible assets (acc. 655)	38		
	15.6. Expenses from investment property (acc. 656)	39		
	15.7. Expenses from biological assets and agricultural products (acc. 657)	40		
	15.8. Expenses from calamities and other similar events (acc. 6587)	41		
	15.9. Other expenses (acc. 651 + 6581 + 6582 + 6583 + 6585 + 6588)	42	313,405	1,430,465
	Adjustments on provisions (row 44 - 45)	43	-106,054	2,340,891
	- Expenditure (acc. 6812)	44	39,952	2,432,677
	- Income (acc. 7812)	45	146,006	91,786
	OPERATING COSTS – TOTAL (row 19 to 22 - 23 + 24 + 27 + 30 + 33 + 43)	46	133,449,359	140,968,115
OPERATING PROFIT OR LOSS:				
	- Profit (row 18 - 46)	47	13,795,266	10,227,729
	- Loss (row 46 - 18)	48	0	0
16	Income from shares held in subsidiaries (acc. 7611)	49		

17	Income from shares in associates (acc. 7612)	50		
18	Income from shares in associates and jointly controlled entities (acc. 7613)	51	758,765	839,995
19	Income from operation with securities and other financial instruments (acc. 762)	52		
20	Income from derivatives (acc. 763)	53		
21	Income from foreign exchange differences (acc. 765)	54	1,094,590	1,529,721
22	Interest income (acc. 766*)	55	13,891	22,185
	- out of which, income from group entities	56		
23	Income from operating subsidiaries for interest due (acc. 7418)	57		
24	Income from short-term financial investments (acc. 7617)	58		
25	Other financial income (acc. 7615 + 764 + 767 + 768)	59		
	FINANCIAL INCOME - TOTAL (row 49 + 50 + 51 + 52 + 53 + 54 + 55 + 57 + 58 + 59)	60	1,867,254	2,391,901
26	Value adjustments on financial assets and financial investments held as current assets (row 62 - 63)	61		
	- Expenditure (acc. 686)	62		
	- Income (acc. 786)	63		
27	Expenses on operations with securities and other financial instruments (acc. 661)	64		
28	Expenses on derivatives (acc. 662)	65		
29	Interest expenses (acc. 666*)	66	43,178	23,685
	- out of which, expenses related to group entities	67		
30	Other financial expenses (acc. 663 + 664 + 665 + 667 + 668)	68	1,236,628	1,223,747
	FINANCIAL EXPENSES - TOTAL (row 61 + 64+ 65 + 66 + 68)	69	1,279,806	1,247,432
FINANCIAL PROFIT OR LOSS:				
	- Profit (row. 60 - 69)	70	587,448	1,144,469
	- Loss (row. 69 - 60)	71	0	0
	TOTAL INCOME (row 18 + 60)	72	149,111,879	153,587,745
	TOTAL EXPENDITURE (row 46 + 69)	73	134,729,165	142,215,547
31	GROSS PROFIT OR LOSS:			
	- Profit (row 72 - 73)	74	14,382,714	11,372,198

	- Loss (row 73 - 72)	75	0	0
32	Tax on current income (acc. 691)	76	2,303,122	1,765,036
33	Deferred income taxes (acc. 692)	77		
34	Income from deferred tax (acc. 792)	78		
35	Other taxes not shown on the above items (acc. 698)	79		
36	NET PROFIT OR LOSS FOR THE REPORTING PERIOD:			
	- Profit (row 74 - 76 - 77 + 78 - 79)	80	12,079,592	9,607,162
	- Loss (row 75 + 76 + 77 - 78 + 79) (row 76 + 77 + 79 - 74 - 78)	81	0	0

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1568524886, 2155974285, 579078907.
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Signatures ►

Administrator
Full name

STEFAN CONSTANTIN

Signature

Prepared by
Full name

SCARLAT ROXANA

Position

11-Economic Director

Registration no. with the professional body

Signature

*) Accounts to be assigned according to the nature of such items.

On row 25 – are included the collaborators' rights, determined in accordance with the labour law, which are taken from the debiting account 621 "Expenses with collaborators", analytical "Natural person collaborators".

On row 35 – in account 6586 "Expenses representing transfers and contributions due under special acts" are shown the expenses representing transfers and contributions due under special acts, other than those provided for in the Tax Code.

CODE 30 ► INFORMATION DATA on 30.09.2017

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(Code 30)

		(lei)		
I. Data on reported earnings		Unit no.	Amounts	
A	Row no. B	1	2	
Units that registered profit	01	1	9,607,162	
Units that registered losses	02	0	0	
Units that have not registered profit or losses	03	0	0	
II. Data on overdue payments		Total (col.2 + 3)	Out of which:	
A	Row no. B	1	For current activity 2	For investment activity 3
Overdue payments – total (row 05+09+15 to 18), out of which:	04	81,997	81,997	
Suppliers with overdue payments – total (row 06 to 08), out of which:	05	81,997	81,997	
- exceeding 30 days	06	10,799	10,799	
- exceeding 90 days	07	27,937	27,937	
- exceeding 1 year	08	43,261	43,261	
Arrears to the national insurance fund – total (row 10 to 14), out of which:	09			
- national insurance contributions paid by employers, employees and other such persons	10			
- health insurance contributions	11			
- additional pension contribution	12			
- unemployment insurance contribution	13			
- other social liabilities	14			
Arrears to special and other funds	15			
Arrears to other creditors	16			
State budget overdue taxes	17			
Local budget overdur taxes	18			

III. Average number of employees		30.09.2016	30.09.2017
A	Row no. B	1	2
Average number of employees	19	502	525
The actual number of existing employees at the end of the period, respectively on September 30	20	529	537

IV. Royalties paid during the reporting period. Grants received and overdue receivables	Row no	Amounts	
A	B	1	
Royalties paid during the reporting period for assigned public goods, out of which:	21		
- royalties for public goods paid to the state budget	22		
Mining royalty paid to the state budget	23		
Oil royalty paid to the state budget	24		
Rent paid for land during the reporting period ¹⁾	25		
Gross income from services paid to non-residents, out of which:	26		
- tax due to the state budget	27		
Gross income from services paid to non-resident persons from EU member states, out of which:	28		
- tax due to the state budget	29		
Subsidies received during the reporting period, out of which:	30		
- subsidies related to assets received during the reporting period	31		
- subsidies related to income, out of which:	32		
- subsidies to boost employment*)	33		
Overdue receivables, which were not collected at the terms set out in the commercial contracts and/or under the regulations in force, out of which:	34		
- overdue receivables from majority or completely state-owned sector entities	35		
- overdue receivables from private sector entities	36		
V. Food vouchers	Row no.	Amount s	
A	B	1	
Equivalent value of food vouchers granted to employees	37		1,335,375
VI. Research and development costs ***)	Row no.	30.09.2016	30.09.2017
A	B	1	2
Research and development costs	38		
- after funding sources (row 40 + 41)	39	0	0
- from public funds	40		
- from private funds	41		
- after the nature of the expenses (row 43 + 44)	42	0	0
- current expenses	43		

- capital expenses	44		
VII. Innovation expenses *****)	Row no.	30.09.2016	30.09.2017
A	B	1	2
Innovation expenses	45		
VIII. Other information	Row no.	30.09.2016	30.09.2017
A	B	1	2
Advances for intangible assets (acc. 4094)	46	21,648	21,648
Advances for tangible assets (acc. 4093)	47	120,000	541,897
Financial assets, in gross amounts (row 49+ 54), out of which:	48	18,354,184	18,354,184
Shares in affiliates, participating interests, other securities investments and bonds, in gross amounts (row 50 to 53), out of which:	49	18,354,184	18,354,184
- unlisted shares issued by residents	50	18,354,184	18,354,184
- equity interests issued by residents	51		
- shares equity interests issued by non residents	52		
- bonds issued by non residents	53		
Long-term receivables, in gross amounts (row 55 + 56), out of which:	54		
- Long-term receivables held in lei and denominated in lei, whose settlement are based on a foreign currency exchange rate (from acc. 267)	55		
- foreign currency long-term receivables (from acc. 267)	56		
Trade receivables, advances for purchases of such goods as the stocks provided to suppliers and other similar accounts, in gross amounts (acc. 4091 + 4092 + 411 + 413 + 418), out of which:	57	12,365,816	14,285,148
- external trade receivables, advances for purchases of such goods as the stocks provided to external suppliers and other similar accounts, in gross amounts (from acc. 4091 + from acc. 4092 + from acc. 411 + from acc. 413 + from acc. 418)	58	8,945,141	9,957,200
Receivables uncollected on due term (from acc. 4091 + from acc. 4092 + from acc. 411 + from acc. 413)	59	2,092,011	
Receivables related to personnel and similar accounts (acc. 425 + 4282)	60		
Receivables related to the national insurance fund and state budget (from acc. 431 + 437 + 4382 + 441 + 4424 + 4428 + 444 + 445 + 446 + 447 + 4482), (row 62 to 66), out of which:	61	3,339,593	4,277,235
- receivables related to the national insurance fund (acc. 431 + 437 + 4382)	62	61,954	68,522
- tax receivables related to the state budget (acc. 441 + 4424 + 4428 + 444 + 446)	63	3,262,104	4,208,713

- Receivable grants (acc. 445)	64	15,535	
- special funds – taxes and similar payments (acc. 447)	65		
- other receivables related to the state budget (acc. 4482)	66		
Entity receivables in dealing with the group entities (acc. 451)	67		
Receivables related to the national insurance fund and state budget uncollected on the due term (from acc. 431 + from acc. 437 + from acc. 4382 + from acc. 441 + from acc. 4424 + from acc. 4428 + from acc. 444 + from acc. 445 + from acc. 446 + from acc. 447 + from acc. 4482)	68		
Receivables from derivatives (acc. 4652)	69		
Other receivables (acc. 453 + 456 + 4582 + 461 + 4662+ 471 + 473), (row 71 to 73), out of which:	70	3,078,699	9,887,381
- settlements with associates and jointly controlled entities, settlements with shareholders' capital, settlements from transactions in stake (acc. 453 + 456 + 4582)	71		
- other receivables related to natural and legal persons, other than receivables in connection with public institutions (state institutions) (from acc. 461 + from acc. 4662+ from acc. 471 + from acc. 473)	72	3,078,699	9,887,381
- amounts taken from account 542 "Treasury advances" representing treasury advances, granted by law and not settled until September 30 th (from acc. 461)	73		
Receivable interest (acc. 5187), out of which:	74		
- from non-residents	75		
Value of loans granted to economic operators*****)	76		
Short-term investments, in gross amounts (acc. 505 + 506 + 507 + from acc. 508), (row 78 to 81), out of which:	77	14,644,600	15,931,659
- unlisted shares issued by residents	78	14,644,600	15,931,659
- equity interests issued by residents	79		
- shares issued by non-residents	80		
- bonds issued by non-residents	81		
Other receivable values (acc. 5113 + 5114)	82	29,618	46,809
Desk cash in lei and foreign currency (row 84 + 85), out of which:	83	12,158	18,702
- in lei (acc. 5311)	84	12,158	18,702
- in foreign currency (acc. 5314)	85		

Current bank accounts in lei and foreign currency (row 87 + 89), out of which:	86	5,600,322	8,751,816
- in lei (acc. 5121), out of which:	87	1,293,025	4,964,224
- current bank accounts in lei opened with non-resident banks	88		
- in foreign currency (acc. 5124), out of which:	89	4,307,297	3,787,592
- current bank accounts in foreign currency opened with non-resident banks	90		
Other current accounts and letters of credit (row 92 + 93), out of which:	91	7,447	11,873
- amounts pending settlement, letters of credit and other receivable values, in lei (acc. 5112 +5125 +5411)	92	7,447	11,873
- amounts pending settlement and letters of credit in foreign currency (from acc. 5125 +5414)	93		
Liabilities (row 95 + 98 + 101 + 102 + 105 + 107 + 109 + 110 + 115 + 116 + 119 + 120 + 126), out of which:	94	35,600,681	42,992,973
Short-term external bank loans (acc. 5193 + 5194 + 5195), (row 96+ 97), out of which:	95		
- in lei	96		
- in foreign currency	97		
External long-term bank loans (acc. 1623 + 1624 + 1625), (row 99 + 100), out of which:	98	1,267,428	950,571
- in lei	99	1,267,428	950,571
- in foreign currency	100		
Appropriations from the state treasury and related interest (acc. 1626 + 1682)	101		
Other loans and related interest (acc. 166 + 1685 + 1686 + 1687), (row 103 + 104), out of which:	102		
- in lei and denominated in lei, whose settlement are based on a foreign currency exchange rate	103		
- in foreign currency	104		
Other loans and similar liabilities (acc. 167), out of which:	105		
- value of the received concessions (acc. 167)	106		
Trade payables, advances from customers and other similar accounts, in gross amounts (acc. 401 + 403 + 404 + 405 + 406 + 408 +419), out of which:	107	20,152,500	23,578,208
- non-residential trade payables, advances from non-residential customers and other similar accounts, in gross amounts (from acc. 401 + from acc. 403 + from acc. 404 + from acc. 405 + from acc. 406 + from acc. 408 + from acc. 419)	108	11,828,859	12,149,471
Liabilities related to personnel and similar accounts (acc. 421 + 422 + 423 + 424 + 426+ 427 + 4281)	109	467,986	532,786
Liabilities related to the national insurance fund and state budget (acc. 431 + 437 + 4381 + 441 + 4423 + 4428 + 444 + 446 + 447 + 4481),(row 111 to 114), out of which:	110	2,847,732	2,322,540
- liabilities related to the national insurance fund (acc. 431 + 437 + 4381)	111	1,339,748	1,255,678

- tax payables to the state budget (acc. 441 + 4423 + 4428 +444 + 446)	112	1,497,382	1,025,144
- special funds – taxes and similar payments (acc. 447)	113	10,602	41,718
- other liabilities related to the state budget (acc.4481)	114		
Liabilities in dealing with the group entities (acc. 451)	115		
Amounts due to the shareholders/associates (acc. 455), out of which:	116	911	911
-amounts due to natural person shareholders/associates	117	911	911
-amounts due to legal person shareholders/associates	118		
Liabilities from derivatives (acc. 4651)	119		
Other liabilities (acc. 269 + 453 + 456 + 457 + 4581 + 462 + 4661+ 472 + 473 + 478 + 509), (rd. 121 to 125), out of which:	120	10,864,124	15,607,957
- settlements with associates and jointly controlled entities, settlements with shareholders' capital, dividends and settlements from transactions in stake (acc. 453 + 456 + 457 + 4581)	121	10,542,866	15,559,061
other liabilities related to natural and legal persons, other than liabilities in connection with public institutions (state institutions ²) (from acc. 462 + acc. 4661 + from acc. 472 + from acc. 473)	122	321,258	48,896
- income subsidies not to be resumed (from acc. 472)	123		
- amounts payable for financial assets and short-term investments (acc. 269 + 509)	124		
- advance income related to assets received by transfer from customers (acc. 478)	125		
Interest due (acc. 5186)	126		
The amount of loans received from economic operators****)	127		
Capital subscribed and fully paid (acc. 1012) out of which:	128	6,976,465	6,976,465
- listed shares ³	129	6,976,465	6,976,465
- unlisted shares ⁴	130		
- equity interest	131		
- capital subscribed and fully paid by non-residents (din acc.1012)	132		
Patents and licenses (from acc.205)	133		
IX. Information on expenses with collaborators	Row no.	30.09.2016	30.09.2017
A	B	1	2
Expenses with collaborators (ct. 621)	134	547,133	846,778
X. Information on public domain assets	Row no.	30.09.2016	30.09.2017
A	B	1	2
Value of public domain assets under management	135		

Value of public domain assets under concession	136				
Value of public domain assets under lease	137				
XI. Information on the private state property subject to inventory in accordance with the Ordinance no. 668/2014 of the Public Finances Minister	Row no.	30.09.2016	30.09.2017		
A	B	1	2		
Net book value of assets ⁵⁾	138				
XII. Paid share capital	Row no.	30.09.2016		30.09.2017	
		Amount (col.1)	%⁶⁾ (col.2)	Amount (col.3)	%⁶⁾ (col.4)
A	B	1	2	3	4
Paid share capital (acc. 1012) ⁶⁾ (row 140 + 143 + 147 + 148 + 149 + 150), out of which:	139	6,976,465	X	6,976,465	X
- owned by public institutions (row 141 + 142), out of which:	140				
- owned by public institutions with central subordination;	141				
- owned by public institutions with local subordination;	142				
- owned by state capital corporations, out of which:	143				
- completely state-owned capital;	144				
- majority state-owned capital;	145				
- minority state-owned capital;	146				
- owned by autonomous administrations	147				
- owned by private equity corporations	148	3,741,724	53.63	3,428,176	49.14
- owned by natural persons	149	3,234,741	46.37	3,548,289	50.86
- owned by other entities	150				
XIII. Receivable taken by assignment from legal persons *****)	Row no.	Amounts (lei)			
		30.09.2016		30.09.2017	
A	B	1		2	
Receivables taken by assignment from legal persons (at fair value), out of which:	151	1,593,466		1,593,466	

- receivables taken by assignment from affiliated legal persons	152		
Receivables taken by assignment from legal persons (at acquisition cost), of which:	153	1,274,266	1,274,266
- receivables taken by assignment from affiliated legal persons	154		
XIV. Income from agricultural activities *****)	Row no.	Amounts (lei)	
		30.09.2016	30.09.2017
A	B	1	2
Income from agricultural activities	155		

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	Signatures ►	
	Administrator Full nname <u>STEFAN CONSTANTIN</u> Signature	Prepared by Full name <u>SCARLAT ROXANA</u> Position <u>11-Economic Director</u> Registration no. with the professional body Signature